



Brian Schweitzer, Governor

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January 4, 2007

Dear Reader:

According to MCA 75-10-221, persons operating a solid waste management facility must have a license issued by the Montana Department of Environmental Quality (DEQ). The Department has decided that all individuals producing less than 2500 gallons of biodiesel from waste vegetable oil shall be required to apply for a Small Biodiesel Operations License.

Producers using virgin oil as feedstock are not considered waste managers and therefore their facilities will not be licensed by the DEQ. Because waste oils, greases and fats are considered waste they must be regulated and monitored by the Department. There will be no application fee for the Small Biodiesel License. Annual license renewals will be necessary, also at no fee. Annual reporting is necessary to track wastes, waste products, and biodiesel production. The environmental impacts of the licenses were evaluated in the Draft Programmatic Analysis for Small Biodiesel Operations dated November 19, 2006.

The following are the approved license conditions:

1. Production must be by an individual, not a business, cooperative, etc.
2. Production feedstock is composed of waste greases and/or oils.
3. Production is less than or equal to 2200 gallons of biodiesel annually.

Information on the small biodiesel operations license can be obtained by writing, calling or emailing the Montana Department of Environmental Quality, c/o Colin McCoy, PO Box 200901, Helena, MT 59620-0901, telephone (406) 444-9879; email cmccoy2@mt.gov.

Colin McCoy
Environmental Science Specialist
Solid Waste Section

1-4-2007
Date

Response to Comment Letters:

November 27, 2006 Letter from Luke Mathisen:

Comment: The gallon level is too low:

Response: The Department has changed the proposed gallon limit from 600 gallons to 2500 gallons.

December 19, 2006 Letter from Kimball Leighton:

Comment: Licensing Small Producers to transport and store waste vegetable oil:

Response: The Department is licensing small biodiesel operations to store waste vegetable oil. However, the Department does not have the authority to regulate transport.

Comment: Providing pro bono gas chromatograph testing of homemade biodiesel for ASTM compliance:

Response: The Department does not have the funding to implement such a program at this time. However, biodiesel made for personal use and not for commercial purposes is not subject to ASTM standards at this time.

Comment: Requiring small producers to pay quarterly fuel taxes on homemade biodiesel that is ASTM certified.

Response: Taxes are already required by the Montana Department of Transportation (MDT) and the IRS. Further taxes would negatively affect an industry that the Department is trying to encourage.

Comment: Delete the requirement for ASTM compliance.

Response: ASTM compliance is required by the MDT for biodiesel made for commercial purposes. Small producers making it for their own use are not required to comply to ASTM standards. The Department has no authority to delete the requirement.

Comment: Make the license permanent, without cost and renewable only when the holder moves the operation to a different location:

Response: The license is free, but it will have to be renewed annually for the Department to be able to track the waste oils, biodiesel production and wastes from the biodiesel production.

Comment: Waive the application and license for those who have made biodiesel for at least six months preceding the adoption of the proposed regulations.

Response: The Department does not have the authority to waive the application and license.